

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:

Case No. 19-41711

AMIR ALSHAFFEY,

Chapter 11

Debtor.

Judge Thomas J. Tucker

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**ORDER REQUIRING DEBTOR TO AMEND DISCLOSURE STATEMENT**

On January 29, 2020, the Debtor filed an amended plan and disclosure statement, in a document entitled “Debtor’s Fourth Amended Combined Plan and Disclosure Statement” (Docket # 187). The Court cannot yet grant preliminary approval of the disclosure statement contained within this document (the “Disclosure Statement”). The Court notes the following problems, which the Debtor must correct.

**First**, “Effective Date” is a defined term under the Plan. The Debtor must capitalize “Effective Date” throughout the Plan and Disclosure Statement.

**Second**, with regard to the Group II Priority Claims treated on pages 5 and 6 of the Plan, the Debtor must specify whether these creditors will receive a lump sum payment or periodic payments. If it is a lump sum payment, the Debtor must state the deadline by which the payment must be made. If the Debtor intends to make periodic payments, the Debtor must state specifically (1) the dollar amount of the periodic payments to be made to each creditor in Group II; (2) the frequency and duration of the payments; and (3) when the payments to each creditor will begin.

**Third**, with regard to the Class 1 claim of Fifth Third Bank treated on page 6 of the Plan, the Debtor must state whether there has been any default in payments to this creditor resulting in

an arrearage. If the Debtor's brother has been paying this creditor according to contract terms, with no default, and will continue to make such payments according to contract terms, the Debtor must say so explicitly.

**Fourth**, the Debtor states on page 9 of the Plan that he "intends to pay \$270,000.00 over two years" to the "Michigan-Dept of HHS" based on its \$488,829.05 unsecured claim. It appears from this statement (the phrase "**over** two years") that the Debtor intends to make periodic payments to this creditor. If so, the Debtor must say so explicitly, and must state specifically (1) the dollar amount of the periodic payments to be made; (2) the frequency and duration of the payments; and (3) when the payments will begin. If this creditor may be paid in a lump sum payment, the Debtor must state the deadline by which the payment must be made.

**Fifth**, the Debtor treats the claims of General Unsecured Creditors in Class 7 on page 10 of the Plan. Debtor states that he will pay these creditors "on a pro-rata basis at a rate of 9.7 cents on the dollar" but the Debtor does not state when or how (lump sum or periodic payments) he will pay these creditors. If the Debtor intends to make a lump sum payment, the Debtor must say so explicitly and state the deadline by which such payment must be made. If the Debtor intends to make periodic payments, the Debtor must say so explicitly, and must state specifically (1) the dollar amount of the periodic payments to be made; (2) the frequency and duration of the payments; and (3) when the payments will begin.

**Sixth**, the Debtor must include as an exhibit to the Disclosure Statement a copy of the Liquidating Trust Agreement referenced in paragraph I.D(2) of the Plan on page 12.

Accordingly,

IT IS ORDERED that no later than **February 10, 2020**, the Debtor must file an amended

combined plan and disclosure statement that complies with this Order.

IT IS FURTHER ORDERED that no later than **February 10, 2020**, the Debtor also must file a redlined version of the amended combined plan and disclosure statement, showing the changes Debtor has made to “Debtor’s Fourth Amended Combined Plan and Disclosure Statement” filed January 29, 2020.

**Signed on February 5, 2020**



/s/ **Thomas J. Tucker**

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**Thomas J. Tucker**  
**United States Bankruptcy Judge**